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Cattle Market Update

For the Week Ending April 25, 2014

All prices are quoted in Canadian dollars per hundredweight (\$/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices (\$/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Apr. 25/14	Average	\$222.13	\$226.33	\$221.00	\$207.50	\$192.30	\$171.90	\$157.00
Apr. 25/14	Range	\$206-236	\$211-242	\$207-237	\$198-223	\$179-205	\$166-182	\$150-162
Week/Week	Change	-\$0.70	\$4.83	\$4.17	\$4.62	\$5.90	\$2.90	\$2.00
Apr. 17/14	Average	\$222.83	\$221.50	\$216.83	\$202.88	\$186.40	\$169.00	\$155.00
Feeder Heifers		300-400	400-500	500-600	600-700	700-800	800+ lb.	
Apr. 25/14	Average	\$204.50	\$205.88	\$201.25	\$186.50	\$172.33	\$163.75	
Apr. 25/14	Range	\$191-218	\$193-219	\$187-213	\$177-197	\$158-182	\$152-174	
Week/Week	Change	\$5.50	\$3.50	\$6.75	\$2.80	\$2.20	\$6.87	
Apr. 17/14	Average	\$199.00	\$202.38	\$194.50	\$183.70	\$170.13	\$156.88	

Source: Canfax.

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

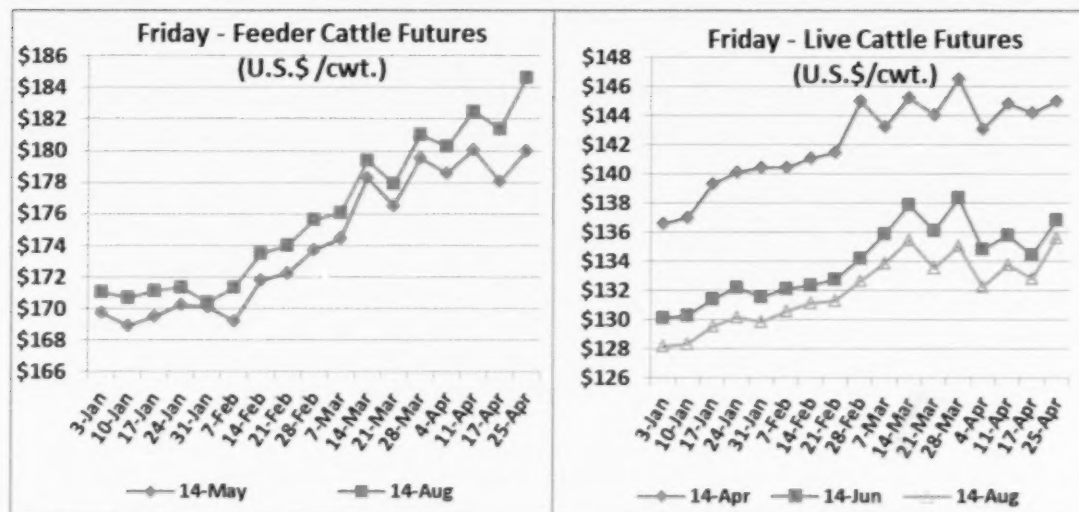
Canfax reported that a total of 13,185 head of cattle were sold in Saskatchewan this week, up from 9,728 head marketed the previous week.

Saskatchewan feeder steer prices were mostly higher over the week from strong demand. Feeder steer prices ranged from \$0.70 per cwt lower to \$5.90 per cwt higher, from the previous week. The biggest gains were in the 700-800 lb. weight category which increased by \$5.90 per cwt, while the 300-400 lb. weight category had the only loss over the week. New all-time high record prices were set in all feeder steer weight categories except the 300-400 lb. weight category.

Feeder heifer prices were higher in all weight categories over the week. Feeder heifer prices increased between \$2.20 per cwt and \$6.87 per cwt, from the previous week. The 800-900 lb. weight category had the biggest gain over the week increasing \$6.87 per cwt. Feeder heifers in all weight categories reached new all-time high record high prices over the week.

The Saskatchewan 750 lb. feeder steer basis compared to the April 24, 2014 U.S. feeder cattle index at US\$179.10 per cwt was calculated at -\$5.36 per cwt (US\$179.10/0.9061 - \$192.30), a basis narrowing of \$4.90 per cwt from -\$10.26 per cwt on April 17, 2014. There was a big basis improvement from the previous week which was likely attributed to strong demand.

Feeder cattle futures prices rebounded from the previous week. The May to August 2014 contracts increased between US\$1.900 and US\$3.225 per cwt, week-over-week. The May contract settled Friday at US\$180.000 per cwt, while the August contract increased US\$3.225 per cwt to settle the week at a new at-time high record price of US\$184.625 per cwt. The fall and early winter feeder cattle futures contracts all reached new all-time high record prices.



Source: CME

Source: CME

Live cattle futures prices also moved higher over the week. The April to August 2014 contracts increased between US\$0.800 per cwt and US\$2.775 per cwt, week-over-week. The nearby April contract settled Friday at US\$145.000 per cwt while the August contract settled the week at US\$135.600 per cwt. There were some new all-time high record prices set in live cattle futures prices, including the August and December 2014 months.

Iowa cash corn prices and the nearby corn futures had noticeable gains over the week. The Iowa cash price on Friday was US\$4.82 per bushel, up 12 cents from US\$4.70 per bushel the previous Thursday. The May corn futures contract was up over 12 cents to settle Friday at US\$5.07 per bushel while the July contract was also up over 12 cents to settle Friday at \$5.13 per bushel.

Fed and Non-fed Cattle

	April 25	April 17	Change
Cows (Alberta)			
D1,2 Live	104.75	103.88	+0.87
D3 Live	91.83	93.50	-1.67
Rail	198-203	200-205	-2.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were mixed over the week with D1,2 slaughter cows increasing \$0.87 per cwt to average \$104.75 per cwt, while the price of D3 slaughter cows decreased \$1.67 per cwt to average \$91.83 per cwt.

Fed cattle prices in Western Canada were again higher over the week. Fed steer prices in Alberta were reported at \$146.25 per cwt, up \$0.60 per cwt from \$145.65 per cwt the previous week. Fed steer prices in Alberta reached new all-time high record prices for the third time in five weeks.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US\$146.34 per cwt, down US\$0.59 per cwt from US\$146.93 per cwt the previous week, but up 14.3 per cent from US\$128.07 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US\$235.08 per cwt, up US\$0.45 per cwt from US\$234.63 per cwt the previous week, and up 15.5 per cent from US\$203.51 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) moved noticeably higher over the week and averaged US\$231.91 per cwt, up US\$7.64 per cwt from US\$224.27 per cwt the previous week, and up 21.0 per cent from US\$191.63 per cwt the same week a year ago. Beef production for the week averaged 462.8 million lb., up 2.9 per cent from 449.6 million lb. the previous week, but down 4.9 per cent from 486.8 million lb. the same week a year ago. Cattle slaughtered over the week totaled 585,000 head, up 3.0 per cent from 568,000 head the previous week, but down 6.4 per cent from 625,000 head the same week a year ago.

On April 25, 2014, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for April 1, 2014.

April 1, 2013 and 2014, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)			
	2013	2014	Per cent of previous year
On feed March 1	10,845,000	10,790,000	99.5
Placed during March	1,884,000	1,795,000	95.3
Marketed during March	1,724,000	1,660,000	96.3
Other disappearance during March	81,000	65,000	80.2
On feed April 1	10,924,000	10,860,000	99.4

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in March 2014 was 1.795 million head, down 4.7 per cent from March 2013, but up 8.8 per cent from 1.650 million head in February 2014. The number of fed cattle marketed in March 2014 was 1.660 million head, down 3.7 per cent from 1.884 million head in March 2013, but up 7.2 per cent from 1.549 million head marketed in February 2014. The March cattle placements were over six per cent lower than the average trade estimates (101.6) while the cattle marketed in March were slightly below the average trade estimates (96.5). The cattle on feed for April 1, 2014 were estimated at 10.860 million head, 0.6 per cent below the April 2013 inventory numbers, but 0.6 per cent above the March 2014 numbers. Year-over-year cattle on feed numbers have declined for 20 consecutive months, with April decreasing slightly more than the year-over-year March numbers. The April 1 cattle on feed numbers were about one per cent below the average trade estimates (100.4). The cattle on feed report had lower March placements and cattle on feed as of April 1, compared to the average trade estimates, and could be viewed as slightly bullish on the markets indicating continued tight feeder cattle supplies.

Note: Cow-calf producers in Saskatchewan are reminded to check with their local market operators regarding current market conditions for non-fed cattle. Producers are also reminded that old, thin cows have a very low market value. The non-fed prices quoted each week do not represent the market price for these animals. As an alternative to transporting these animals, you may want to check with your local veterinarian or the nearest Canadian Food Inspection Agency (CFIA) office to see if these animals are eligible for testing as part of the bovine spongiform encephalopathy (BSE) surveillance program. Producers receive \$75 from the CFIA for each eligible sample submitted. The goal of this program is to prove that the BSE control measures implemented in Canada are working.

Friday Price Information

Product		This Week (April 25)	Week of: (April 17)
Canadian Dollar (closing rate US\$)		.9061	.9080
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US\$ per cwt)		179.10	178.57
Seven-day Weighted Average FC Index Wt. (lb.)		762	765
Live Fed 5-area Steer Price (US\$ per cwt)		146.34	146.93
Feed Grains			
Barley	Lethbridge (\$/tonne)	196.00	193.00
	(\$ per bu.)	4.27	4.20
Corn	Iowa State Average (CDN\$/tonne)*	209.42	203.78
	(US\$ per bu.)	4.82	4.70
	Omaha, NE (CDN\$/tonne)*	213.33	210.71
Futures	(US\$ per bu.)	4.91	4.86
May Corn (US\$ per bu.)		5.07	4.94¾
July Corn (US\$ per bu.)		5.12¾	5.00½
April Live Cattle (US\$ per cwt)		145.000	144.200
June Live Cattle (US\$ per cwt)		136.775	134.375
May Feeder Cattle (US\$ per cwt)		180.000	178.050
August Feeder Cattle (US\$ per cwt)		184.625	181.400

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

* conversion to CDN\$ is based on Friday's CDN\$ closing rate (This week it is Thursday's CDN\$)

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